

Subject

CONFIDENTIAL

1 March 1949

322

MEMORANDUM FOR: THE EXECUTIVE

SUBJECT: Allowances for Government-owned Quarters

REFERENCE: (a) Memo dated February 24, 1949, same subject, to the Director from Colonel Sterling

1. Section 118a of Title 5, United States Code (Act of June 28, 1930, c. 621, 46 Stat. 818.), authorizes the heads of departments to prescribe such regulations, as the President may approve, to furnish to employees of the Government who are citizens of the United States having permanent stations in foreign countries, living quarters including heat, fuel and light in Government-owned buildings without cost to such employees. This appears to be clear authority for the establishment of the procedures recommended in reference (a).

2. In Executive Order 10011 of October 28, 1948 (15 F.R. 6253), the President authorized and directed the Secretary of State to exercise, among others, the authority vested in the President by the above-mentioned Section 118a of 5 U. S. Code. Under this Executive Order, the Secretary of State prescribed Standardized Government Civilian Allowance Regulations to be applicable to all United States employees abroad.

3. In Section 3, which sets forth the rules concerning quarters allowance, there is no specific regulation concerning the furnishing of quarters free in view of granting of an allowance. However, Section 3.22 states that the grant of a quarters allowance shall commence on the date the employee ceases to occupy rent-free quarters, and Section 3.34 states that a grant of quarters allowance shall terminate on the date prior to that on which the Government quarters are made available to the employee.

CONFIDENTIAL

CONFIDENTIAL

4. There appears to be no specification concerning who must authorize the furnishing of such rent-free quarters. However, Section 1.6 states that the head of an agency may grant quarters allowances when authorized by law, subject to the provisions of the Standardized Regulations, and may issue such further implementing regulations as he may deem necessary. Section 1.5 states that in these regulations "head of agency" means the head of an agency or anyone designated by him to grant and account for allowances on his behalf. In view of this definition, it is felt that any officer of CIA, officially authorized by the Director to grant allowances, might authorize the rent-free furnishing of quarters without allowances to the employee occupying such quarters as recommended in reference (a).

5. In addition, it is noted that in paragraph 1.4 of the new regulations, the provisions in paragraphs 1, 2, and 3, Part A, of Circular A-8 (Revised), are specifically left in force. These paragraphs merely restate the statute 5 U. S. C., 110a, but in that connection apparently include by reference a definition in A-8 of "head of department", which states that that phrase includes such persons as he may designate to carry out the provisions of Circular A-8.

6. Paragraph 3 of Part A of Circular A-8, states the policy that employees will be expected to reside in Government-owned or rented buildings unless the head of the department concerned shall deem that suitable living quarters are not available.

LAWRENCE E. HOUSTON
General Counsel

LRH/nll

cc: Central Records
Chrono
Subject

CONFIDENTIAL

CONFIDENTIAL

Director of Central Intelligence

Acting Assistant Director for Operations

Allowances for Government-owned Quarters

STATSPEC

STATSPEC

25X1

1. When the establishment of [redacted] and [redacted] was approved, funds were included in the projects for the erection of housing at the sites for occupation by the [redacted] Chief and the Chief Engineer at [redacted] and by all U. S. employees at [redacted]

25X1

25X1

2. Some of these quarters are in final stages of construction and will soon be ready for occupancy by the individuals involved. It is therefore necessary to have a determination as to the financial basis upon which the employees may occupy the premises.

3. The Standardized Government Civilian Allowance Regulations (Foreign Areas) issued 1 December 1948 by the Secretary of State set forth the quarters allowances for U. S. citizens employed by the U. S. government in foreign countries where rent-free quarters are not furnished; such allowances to be based on actual rentals paid.

4. It would appear that an unnecessary burden would be placed on the administrative activities of the agency if rental rates were established for the above quarters, and the employees were to pay such rentals and to receive allowances to cover. It is therefore recommended that the government-owned quarters be provided free of charge to the U. S. citizens in the above cases, and that no allowances be paid them for quarters.

5. It is therefore requested that you authorize the establishment of procedures in accordance with the above recommendations at the earliest practicable date.

25X1

[redacted]
Colonel, USAF

CONFIDENTIAL